

**Direct Testimony of Janet Cox**

I, Janet Cox, hereby testify as follows:

**I. Personal Background****A. Education and Training**

1. I was born in Alton, Illinois on October 6, 1939. I am a graduate of Olin Business School, Alton, Illinois, and I have taken undergraduate courses in business and accounting at Shurleff College, Alton, Illinois; Blackburn College, Carlinville, Illinois; and the University of Missouri, Columbia, Missouri. In the business management field, I have attended seminars on business management and operations, employment issues, business plan development and financing, and I have taken various training courses pertaining to human resources, negotiation skills, business financing, budget planning, advertising and marketing and crisis management.

2. Since 1982, I have attended several FCC-sponsored seminars regarding tower regulations, FCC field inspections, compliance issues and changes in FCC regulations. And, I have participated in numerous other seminars, training courses and professional conferences sponsored by the National Association of Broadcasters and the Missouri Broadcasters Association pertaining to station management, sales and marketing, the development of business plans, training of personnel, employment issues, and license renewals. I also have taken training courses sponsored by the University of Missouri on government licensing, management and personnel issues.

95-134 Contingency #

IN THE MATTER OF:

**No. Pages:**

**B. Employment/Business History**

3. My employment and business career has included the following positions:

Auditing Cashier, Domestic Loans, Atlanta, Georgia  
(1963-1968);

Remittance Supervisor, BP Oil Co., Atlanta, Georgia  
(1968-1970);

Accountant, Sunbrand/Wilcox & Gibbs, Atlanta, Georgia  
(1971-1972);

Owner/Partner, Charles Adams Construction Co. (1973-  
1980);

Shareholder, Officer, Indacom, Inc. (1979-present).\*

4. In July 1982, I was hired by Michael S. Rice and his father, Malcolm R. Rice, as a bookkeeper with Contemporary Broadcasting, Inc. and Contemporary Media, Inc., and I commenced my employment with them on August 2, 1982.

**II. Ownership and Control of Contemporary Media, Inc.,  
Contemporary Broadcasting, Inc., and Lake Broadcasting, Inc.**

**A. Contemporary Media, Inc. ("CMI")**

5. CMI is the licensee of Stations WBOW(AM) and WZZQ(AM) - FM, Terre Haute, Indiana. Michael S. Rice is the sole shareholder of CMI.

6. Pursuant to the CMI by-laws, the Board of Directors of the corporation consists of three persons. (See copy of by-laws

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\* Indacom is a real estate development company which my husband and I own. My involvement in the operations of Indacom decreased dramatically when I became employed by CMI and CBI in 1982.

at Appendix A hereto . For several years until August 23, 1991, CMI's Board of Directors consisted of Michael S. Rice, Malcolm R. Rice (father of Michael S. Rice) and Martin J. Toft. On August 23, 1991, Martin Toft resigned from the Board, and I was appointed to replace him. The makeup of the Board has remained unchanged since then.

7. Michael S. Rice has been the President and Treasurer of CMI since the corporation was established, and he continues to hold these titles as of this date. Malcolm R. Rice has been a Vice President of CMI since the corporation was established, and he continues to hold this title as of this date. By resolution of the Board of Directors dated March 13, 1991, I became a Vice President of CMI, and I continue to hold this title as of this date. I became the Secretary of CMI upon Martin Toft's resignation from that position on August 23, 1991.

**B. Contemporary Broadcasting, Inc. ("CBI")**

8. CBI is the licensee of Station KFMZ(FM), Columbia, Missouri, and the permittee of Station KAAM-FM, Huntsville, Missouri. CBI is a wholly-owned subsidiary of CMI.

9. Pursuant to the CBI by-laws, the Board of Directors of the corporation consists of three persons. (See copy of by-laws of CBI at Appendix B hereto). For several years until August 23, 1991, CBI's Board of Directors consisted of Michael S. Rice, Malcolm R. Rice and Martin J. Toft. On August 23, 1991, Martin

J. Toft resigned from the Board, and I was appointed to replace him. The makeup of the Board has remained unchanged since then.

10. Michael S. Rice has been the President and Treasurer of CBI since the corporation was established, and he continues to hold these titles as of this date. Malcolm R. Rice has been a Vice President of CBI since the corporation was established, and he continues to hold this title as of this date. By resolution of the Board of Directors dated May 8, 1991, I became a Vice President of CBI, and I continue to hold this title as of this date. I became the Secretary of CBI upon Martin Toft's resignation from that position on August 23, 1991.

**C. Lake Broadcasting, Inc. ("Lake")**

11. Lake is the licensee of Station KBMX, Eldon, Missouri, the permittee of Station KFXE(AM), Cuba, Missouri, and an applicant for a new FM station in Bourbon, Missouri. The shareholders of Lake are Michael S. Rice (67.5%), Dennis J. Klautzer (20%) and Kenneth W. Kuenzie (12.5%).

12. The by-laws of Lake, a copy of which is included as Appendix C, provide for a two-person board of directors. Michael S. Rice and Kenneth W. Kuenzie have been members of the Lake Board of Directors since 1988.

13. Since Lake's formation, Michael S. Rice has held the titles of President and Treasurer, Mr. Kuenzie has held the title of Vice President and Mr. Klautzer has held the title of

Secretary. In December 1991, I was appointed Vice President of Lake by resolution of the Board of Directors.

**III. Operation of CMI, CBI and Lake Stations  
Prior to April 1991**

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14. When I began working for CMI and CBI, CBI owned Station KFMZ(FM), Columbia, Missouri, and CMI, in May, 1982, had purchased Stations WBOW (now WZZQ(AM)) and WBOQ(FM) (now WZZQ-FM), Terre Haute, Indiana. At my suggestion, one of my initial responsibilities was to computerize the bookkeeping and billing systems for CMI, CBI and each station. Previously, all bookkeeping and billing had been handled manually. Soon thereafter, Michael Rice delegated more managerial responsibilities to me. Within approximately two years, I was responsible for hiring and training the stations' traffic and sales employees and developing the stations' annual budgets. In addition, I made presentations of CMI/CBI's business and financial plans to banks to obtain financing. I also assisted Michael Rice in evaluating stations for possible acquisition. Mr. Rice would evaluate the technical operation of a prospective station, and I would evaluate the stations' business operations and finances.

15. In 1988, when Michael Rice, Kenneth Kuenzie and Dennis Klautzer formed Lake to own and operate a new FM station in Eldon, Missouri (KBMX), I was involved in the station's start-up. I hired the sales and support staff and established office

procedures. I negotiated contracts, made presentations to banks for loans, and dealt with all vendors relating to furnishing the station's offices.

16. My role in the day-to-day management of CMI, CBI and Lake (the "Licensees") and oversight of the radio stations' business operations increased from 1988 to 1991, as Michael Rice devoted more and more of his time to engineering and technical matters, which he enjoyed, and to his other business interests, i.e., real estate and broadcast tower leasing. (CMI owns two AM towers in Terre Haute. Mr. Rice, personally, owns the FM tower on which WZZQ-FM and various tenants' antennas are located; CBI owns broadcast towers in Columbia, Missouri, and Ashland, Missouri, both of which have tenants; and Lake owns a broadcast tower in Lake of the Ozarks, Missouri, which has tenants.) Similarly, Lake's other shareholders/officers, Messrs. Kuenzie and Klautzer, each were (and continue to be) employed full-time at other broadcast stations, which limited their involvement in overseeing the management of the Lake station.

**IV. Operation of CMI, CBI and Lake Stations**  
**From April 1991 to September 1994**

**A. Corporate Actions Excluding Michael S. Rice**

17. On April 1, 1991, Michael S. Rice was formally charged in the criminal case against him in St. Charles County, Missouri Circuit Court. On or about April 3, 1991, Michael S. Rice was

voluntarily hospitalized at the Barnes Hospital, St. Louis, Missouri, for in-patient psychiatric treatment.

18. In view of the criminal charges brought against Mr. Rice, the Boards of Directors of the Licensees took action to exclude him from having a managerial, policymaking and consultative role in the operation of the Licensees' radio stations. These actions were recorded in resolutions adopted by the Licensees' Boards of Directors in lieu of their annual 1991 meetings. See copies of the resolutions of CMI, CBI and Lake, respectively, at Appendices D, E and F.

**B. Notification to the FCC of Michael Rice's Status**

19. Lake initially notified the Commission of the pendency of Mr. Rice's criminal charges in a "Statement Pursuant to Section 1.65 of the Rules" filed on June 14, 1991, in connection with its pending major modification application (File No. BMP-900328AI) for unconstructed Station KFXE(AM), Camdenton, Missouri. (See copy at Appendix G-1). Lake, CMI and/or CBI subsequently filed further updates in Section 1.65 Statements, various applications and correspondence. Such reports were filed in June, July, August and December, 1991, February, May, September, November, 1992, February and June, 1993, and August and September 1994.

20. However, as further described below, Michael Rice began to engage in limited and sporadic engineering tasks for the



Licensees in early 1992, and as a result, we modified reports filed later that year with the FCC regarding his status so that his role with the companies was more accurately described. Specifically, prior to May 1992, each report stated that Michael Rice had no managerial, policy or "consultative" role in the affairs of the Licensees and their stations. On May 14, 1992, however, CBI filed an application (FCC Form 307) for extension of its construction permit for Station KTDI(FM), Huntsville, Missouri. Therein, and in subsequent reports, we intentionally dropped the reference to no "consultative" role in light of Mr. Rice's limited involvement in isolated technical and engineering tasks further described below. Specifically, in the May 14, 1992 Form 307 application we reported:

Mr. Rice is no longer hospitalized, but he continues to be treated by his physicians as an outpatient, and he continues to have no managerial or policy role in the affairs of the three broadcast corporations ... in which he has ownership interests and corporate positions.

See pertinent excerpt of May 14, 1992 filing at Appendix G-2.

**C. Michael Rice's Limited Role between April 1991 and September 30, 1994.**

21. In April 1991, after Michael Rice was formally charged with criminal misconduct and then hospitalized, I assumed the responsibilities of chief executive officer of CMI and CBI by resolution of the CMI and CBI Boards of Directors. (See Appendices D and E.) By resolution of the Lake Board of

Directors, Mr. Kuenzie was directed to hold these responsibilities for Lake. (See Appendix F.) However, because Mr. Kuenzie was involved full-time in the ownership and operation of Stations KSLQ(AM) FM, Washington, Missouri, he delegated to me the responsibility for working with the General Manager of KBMX in overseeing the day-to-day management and operations of that station.

22. Within a few weeks after Mr. Rice was admitted to the hospital, I traveled to each of the Licensees' stations for meetings with the stations' staffs to inform them of Mr. Rice's withdrawal from the management of the stations, and my assumption of the Chief Executive Officer position.

23. In June, 1991, I entered into an employment contract with Contemporary, a copy of which is included at Appendix H, and my salary was increased commensurate with my new title and increased responsibilities. Despite my new title and designated responsibilities, there was not a dramatic change in my actual day-to-day functions because, over time, I had already been delegated much of the responsibility for oversight and management of the stations' business operations. Michael Rice, an engineering and music enthusiast, had always been more involved in the technical/production side of station operations rather than the managerial, business side. He enjoyed making certain that the stations had good reception and a quality sound, and delegated to me the oversight of the stations' sales and business

operations. Messrs. Kuenzie and Klautzer had similar technical interests and, as indicated above, they had full-time employment elsewhere. Consequently, by April 1991, I had already assumed much of the responsibility for overseeing business operations, including the stations' sales and collections.

24. However, with Michael Rice's exclusion from involvement in managerial affairs of the Licensees in April 1991, I assumed the additional responsibility of dealing with tenants and leasing matters for the various broadcast towers which he previously handled. Also, since Mr. Rice previously had acted informally as an in-house programming consultant to the stations' program directors, I directed the stations' General Managers to assume more oversight of their respective program directors since Mr. Rice no longer had any involvement in the stations' programming. Eventually, in April 1995, with the input of the stations' General Managers, I retained the services of an outside programming consultant, David Lange of DL Consulting, who continues today to serve in that capacity for the stations. Michael Rice had no involvement of any kind in the hiring of DL Consulting.

25. During Mr. Rice's 1991 hospitalization, which lasted for approximately seven months, and for several weeks after his discharge in October 1991, I had no contact with him at all. Weeks after his discharge, he came to the Licensees' headquarters office and informed me that his psychiatrist advised him that it

was important for his mental health to resume business interests that he enjoyed and to remain active. However, given the circumstances of his impending criminal trial, I suggested that it would be in the best interest of the Licensees from both a public relations and a regulatory standpoint, that he remain completely uninvolved in the oversight and management of the Licensees' operations until and unless he was exonerated. Mr. Rice concurred.

26. However, I decided that Mr. Rice could assist our consulting engineers and our stations' chief engineers on technical projects, as necessary, without becoming involved in the stations' management, policymaking or day to day operations. For instance, while Mr. Rice was hospitalized, plans for the construction of CMI's second AM station on 640 kHz in Terre Haute, now WBOW, commenced under my direction. I consulted with the Licensees' consulting engineers, Jack Sellmeyer and Lloyd Collins, who headed up the project with the assistance of the stations' chief engineers, Eric Hoehn and Gerald Probst. However, the construction project actually got underway in the Spring of 1992, and Mr. Rice then assisted the engineers in the installation and proofing of the station's directional antenna. The station received program test authority from the FCC in October 1992.

27. From time to time, Mr. Rice also would assist in the repair or installation of equipment at the various stations. For

instance, he assisted in the construction of a second production studio for Lake's Station KBMX. However, he continued to remain excluded from managerial and policy matters pertaining to the stations. Specifically, he had no involvement in personnel and programming decisions. Those decisions were made by me in conjunction with the respective stations' General Managers. The only ministerial financial matter with which Michael Rice was involved, from time to time, was the co-signing of checks when either Malcolm Rice or I was unavailable to co-sign.

28. Mr. Rice's involvement with technical and engineering projects for the Licensees' stations, subsequent to his hospitalization and until his incarceration in September 1994, remained, at most, sporadic, since he had other matters occupying his time. He resumed his landlord responsibilities in connection with the real property, buildings and broadcast tower that he personally owns (the land and the building which houses the KBMX main studio, the building which houses the WBOW/WZZQ(AM)-FM main studios and other unrelated tenants, and the FM tower in Terre Haute). He also resumed his position as a technical consultant to Station KIRL, St. Charles, Missouri (not affiliated with the Licensees' stations) for which he received a salary. Mr. Rice also continued to have regular out-patient psychotherapy and he spent a substantial amount of time caring for his parents during this period of time. His mother died after a long illness in July 1994, and about the same time, his father, Malcolm Rice,

then 86 years old, was incapacitated for a few months after suffering a broken hip. In addition, Mr. Rice undertook a several-months project of traveling around Illinois and Missouri to at least 10 AM stations (not affiliated with the Licensees' stations) which retained him to make certain NSRC measurements which the FCC required of such stations in 1994.

29. Meanwhile, during this period, I continued to work closely with the General Managers of each of the Licensees' stations in overseeing the day-to-day operations and management of the stations and the companies. The General Managers sent sales reports to me on bi-weekly, weekly and monthly bases, I went to the stations for on-site meetings with them at least once each quarter, and I communicated with them by telephone on a near daily basis. In addition, I developed updates to the CMI/CBI Employee Policy Manual in 1992 and 1994 without any input from Michael Rice. I negotiated contracts with many vendors who previously dealt with Michael Rice. I also delegated to the stations' engineers, contacts with certain vendors with whom Michael Rice previously dealt. In sum, "business as usual" at the Licensees' stations from April 1991 to September 1994 did not involve Michael Rice in any policy or managerial capacity in connection with the day-to-day operations of the stations.

**V. Operation of the Licensees' Stations from  
September 30, 1994 to Present**

30. Michael Rice was incarcerated at the Farmington Correctional Center, Farmington, Missouri, on September 30, 1994. The Licensees' stations have continued to operate in the same manner as prior to his incarceration with the only difference that Mr. Rice obviously is not available, and, thus, has had no involvement in any technical/engineering projects for the stations. Mr. Rice and I communicate from time to time and, when he asks, I inform him about how the stations are faring. Most of the time our conversations are related to his father, who, at age 88, is still living alone in his home. In no way, shape or form is Michael Rice making policy or managerial decisions concerning the day-to-day operations of the stations. I do not seek his input or advice on these matters, and I do not take orders or directions from him in this regard.

**VI. The Licensees' Record of Compliance Before the Commission**

31. The Licensees have always strived to ensure that their respective stations operate in full compliance with applicable Commission policies and rules. In fact, as long as they have been in operation, the Lake and CBI stations have never been fined by the FCC, and CMI's Stations WBOW and WZZQ each received a minor fine only once. In November 1989, they received forfeitures totalling \$900 for a logging violation in connection with Emergency Broadcast System transmissions and an improperly

prepared quarterly issues/programs list. Otherwise, the stations' collective record before the Commission has been unblemished. In that regard, it is important to note that no other principal or employee of the Licensees, nor any of the Licensees' stations, were in any way involved in the alleged conduct leading to Mr. Rice's convictions.



## APPENDIX A

BYLAWS OF CONTEMPORARY MEDIA, INC.

OFFICES

1. The registered office shall be at ~~329 South Maple Avenue, Webster Groves, Missouri, 63119~~, or at such other place as may be selected by the Board of Directors from time to time. The corporation may also have offices at such other places as the Board of Directors may from time to time appoint or the business of the corporation may require.

SEAL

2. The corporate seal shall have inscribed thereon the name of the corporation, the state of incorporation and the word "SEAL".

SHAREHOLDERS' MEETING

3. All meetings of the shareholders shall be held at the registered office of the corporation in St. Louis, Missouri, or at such other place as the Board of Directors may provide, at the hour of 10:00 o'clock A.M., or within a reasonable time thereafter, and except as otherwise provided by law, such meetings shall be regulated by these bylaws.

4. The annual meeting of shareholders shall be held on the second Wednesday of ~~January~~ <sup>May</sup> of each year if not a legal holiday, and if a legal holiday then on the first business day following, when the shareholders shall elect a Board of Directors to serve for one year and until their successors are elected or chosen and qualify.

5. The holders of a majority of the voting stock issued and outstanding, present in person, or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the shareholders for the transaction of business except as otherwise provided by law, by the certificate of incorporation or by these bylaws.

6. At each meeting of the shareholders every shareholder of voting stock shall be entitled to vote in person or by proxy appointed by an instrument in writing subscribed by such shareholder or by his duly authorized attorney, and he shall have one vote for each share of stock registered in his name at the time of the closing of the transfer books for said meeting. Provided, however, that in all elections for directors each shareholder shall have a right to cast as many votes in the aggregate as shall equal the number of shares of stock so held by such shareholder in the company, multiplied by the number of directors

to be elected at such election, and each shareholder may cast the whole number of votes, either in person or by proxy, for one candidate, or distribute them among two or more candidates; and the directors shall not be elected in any other manner.

7. Written notice of the annual meeting shall be mailed to each shareholder, at such address as appears on the stock book of the corporation, at least ten days and not more than thirty days prior to the meeting and shall also be published in some paper published in the City of St. Louis, Missouri, as now or hereafter required by laws of Missouri, but only to the extent such publication is required by law at the time of any such meeting, unless waived as hereinafter provided.

8. Special meetings of the shareholders, for any purpose or purposes, other than those regulated by statute, may be called by the president, or shall be called by the president or secretary at the request in writing of a majority of the Board of Directors, or at the request in writing by shareholders owning not less than one-fifth of the voting stock of the corporation issued and outstanding. Such request shall state the purpose or purposes of the proposed meeting.

9. Written notice of a special meeting of shareholders stating the time and place and object thereof, shall be mailed, postage prepaid, at least ten days before such meeting, to each shareholder at such address as appears on the books of the corporation.

#### DIRECTORS

10. The property and business of the corporation shall be managed by its Board of Directors, three in number, at least one of whom shall be a citizen and resident of Missouri. They shall be elected by the shareholders at the annual meeting of the shareholders of the corporation, and each director shall be elected to serve for the term of one year, and until his successor shall be elected and shall qualify.

11. The directors may hold their meeting at such places within and without the State of Missouri as they may from time to time determine. They may have one or more offices but they shall have one office in the State of Missouri at which the books of the corporation shall be kept.

12. In addition to the powers and authority by these bylaws expressly conferred upon them, the board may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these bylaws directed or required to be exercised or done by the shareholders.

## MEETINGS OF THE BOARD

13. The Board of Directors shall meet annually within two weeks after the adjournment of the annual meeting of the shareholders. At such meeting the president shall lay before the directors the returns certified by the secretary and thereupon the persons who received a majority of the votes cast for directors shall be notified of their election. The existing board shall, however, continue to hold office until their successors shall have duly qualified. The newly elected board shall thereafter meet as soon as possible for the purpose of organization and otherwise, at such place and time as may be fixed by consent in writing of all the directors. In the absence of such unanimous consent the said meeting may be called by any two directors upon two days' notice by mail or by telegram to each director.

14. A majority of the Board of Directors shall be necessary to constitute a quorum for the transaction of business at all meetings of the board.

15. Special meetings of the board may be called by the president on one day's notice to each director, either personally or by mail or by telegram; special meetings shall be called by the president or secretary in like manner and on like notice on the written request of any director.

## OFFICERS

16. The officers of the corporation shall be a president, vice presidents as may be determined by the board of directors from time to time, a secretary and treasurer. Any two of the aforesaid offices may be filled by the same person, except those of president and vice president.

17. The Board of Directors, at their first meeting after each annual meeting of shareholders, shall elect by ballot a president from their own number, and the board shall also annually choose one vice president, a secretary and a treasurer who need not be members of the board, and a majority of the whole number of directors shall be necessary for the election of each of said officers.

18. The board may appoint such other officers and agents as it shall deem necessary, who shall have such authority and shall perform such duties as from time to time shall be prescribed by the board.

19. The salaries of all officers and agents of the corporation shall be fixed by the Board of Directors.

20. The officers of the corporation shall hold office for one year and until their successors are chosen and qualify in their stead, or for any such shorter period as may be specified

by the directors. Any officer appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole board of directors.

#### THE PRESIDENT

21. The President shall be the chief executive officer of the corporation; he shall preside at all meetings of the stockholders and directors; he shall have general and active management of the business of the corporation, shall see that all orders and resolutions of the board are carried into effect, subject, however, to the right of the directors to delegate any specific powers, except such as may be by statute exclusively conferred on the President, to any other officer or officers of the corporation.

He shall execute bonds, mortgages, and other contracts requiring a seal, under the seal of the corporation. He shall sign certificates of stock.

#### THE VICE PRESIDENTS

22. The Vice Presidents shall, in the absence or incapacity of the President, perform the duties and possess the powers of the President in the order as specified by the board of directors from time to time.

#### THE SECRETARY

23. The Secretary shall attend all sessions of the board and all meetings of the shareholders and act as clerk thereof, and record all votes and the minutes of all proceedings in a book to be kept for that purpose. He shall keep in safe custody the seal of the corporation. He shall give, or cause to be given, notice as required of meetings of the shareholders and of the Board of Directors and shall perform such other duties as may be prescribed by the Board of Directors or president, and under whose supervision he shall be.

#### THE TREASURER

24. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements belonging to the corporation.

25. He shall disburse the funds of the corporation upon proper authority, taking vouchers for such disbursements, and shall render to the president and directors, at the regular

meetings of the board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the corporation.

#### VACANCIES

26. If the office of any director, or of the president, vice-president, secretary or treasurer or other officer or agent, one or more, becomes vacant, by reason of death, resignation, retirement, disqualifications, removal from office or otherwise, the directors then in office, although less than a quorum, by a majority vote, may choose a successor or successors, who shall hold office for the unexpired term in respect of which such vacancy occurred.

#### OFFICERS MAY RESIGN

27. Any director or other officer may resign his office at any time, such resignation to be made in writing and to take effect from the time of its receipt by the corporation, unless some time be fixed in the resignation, and then from that time. The acceptance of a resignation shall not be required to make it effective.

#### DUTIES OF OFFICERS MAY BE DELEGATED

28. In case of the absence of any officer of the corporation, or for any other reason that the board may deem sufficient, the board may delegate the powers or duties of such officer to any other officer, or to any director, for the time being, provided a majority of the entire board concurs therein.

#### CERTIFICATE OF STOCK

29. The certificates of stock of the corporation shall be numbered as they are issued. They shall exhibit the holder's name and the number of shares and shall be signed by the president or vice president and the secretary or assistant secretary, and shall bear the corporate seal. Each certificate shall also bear a notice referring to the limitations contained in Article II of the Articles of Incorporation.

#### TRANSFERS OF STOCK

30. Transfers of stock shall be made on the books of the corporation only by the person named in the certificate or

by attorney, lawfully constituted in writing, and upon surrender of such certificate, provided the limitations on transfer contained in Article III of the Articles of Incorporation have been complied with.

31. The Board of Directors may close the transfer books in their discretion for a period not exceeding fifteen days preceding any meeting, annual or special of the shareholders, or the day appointed for the payment of a dividend.

32. The corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and accordingly shall not be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person whether or not it shall have express or other notice thereof, save as expressly provided by the laws of Missouri.

#### INSPECTION OF BOOKS

33. The directors shall determine from time to time whether, and, if allowed, when and under what conditions and regulations, the accounts and books of the corporation (except such as may by statute be specifically open to inspection), or any of them, shall be open to the inspection of the shareholders, and the shareholders' rights in this respect are and shall be restricted and limited accordingly, subject to all requirements of Missouri law.

#### CHECKS

34. All checks or demands for money and notes of the corporation shall be signed by such officer or officers as the Board of Directors may from time to time designate.

#### DIVIDENDS

35. The Board of Directors shall declare such dividends as it deems advisable in its discretion.

#### THE FISCAL YEAR

36. The fiscal year shall begin on the first day of January in each year.

#### NOTICES

37. Whenever under the provisions of these Bylaws,

notice is required to be given to any director, officer or shareholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by depositing the same in the post office or letter box, in a post paid, sealed wrapper, addressed to such shareholder, officer or director at such address as appears on the books of the corporation, or in default of other address to such director, officer or shareholder at the General Post Office in the City of St. Louis, Missouri, and such notice shall be deemed to be given at the time when the same shall be thus mailed.

Any shareholder, director or officer may waive any notice required to be given under these Bylaws, and publication of notice shall not be required if all the stockholders are present and consent to the meeting or by the written consent of all, or if publication is not required by the laws of Missouri at the time of any meeting.

#### AMENDMENTS

38. These Bylaws may be altered, amended or repealed: (a) by the affirmative vote of the holders of a majority of the stock issued and outstanding and entitled to vote at any annual or special meeting of the shareholders; (b) by the affirmative vote of a majority of the Board of Directors at any regular or special meeting thereof; provided that the notice of such meeting of shareholders or directors, whether regular or special, shall specify as one of the purposes thereof the making of such alteration, amendment or repeal. No change of the time or place for the election of directors shall be made within twenty days before the date on which such election is to be held. Any bylaws made by the Board of Directors may be altered, amended or repealed, by the shareholders; and after such action by the shareholders, the Board of Directors shall not have authority to take further action with respect to such bylaws.



## APPENDIX B